

"TOWN MEETING" MOVES TO TUESDAYS!

8:30 p.m., EDT 7:30 p.m., CDT 8:30 p.m., MST 8:30 p.m., PST

AUGUST 28, 1947

Illinois U Library Town Meeting



BULLETIN OF AMERICA'S TOWN MEETING OF THE AIR

BROADCAST BY STATIONS OF THE AMERICAN BROADCASTING CO.

Can Free Enterprise Here Compete With Socialism Abroad?

Moderator, GEORGE V. DENNY, JR.

Speakers

HERBERT A. LEGGETT

J. RAYMOND WALSH

ANNA ROOSEVELT BOETTIGER

IRVING STONE

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COMING

—September 2, 1947—

Is There Really a Communist Threat in Hollywood?

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The account of the meeting reported in this Bulletin was transcribed from recordings made of the actual broadcast and represents the exact content of the meeting as nearly as such mechanism permits. The publishers and printer are not responsible for the statements of the speakers or the points of view presented.

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THE BROADCAST OF SEPTEMBER 2:

"Is There Really a Communist Threat in Hollywood?"



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GEORGE V. DENNY, JR., MODERATOR



AUGUST 28, 1947

VOL. 13, No. 18

Can Free Enterprise Here Compete With Socialism Abroad?

Announcer:

Welcome, friends, to Phoenix, Arizona, in the Valley of the Sun. If you haven't visited Phoenix during those harsh winter months, when in many parts of the country wet feet outnumber dry ones by a good two-to-one, you'll be glad to know that last year we had, in Phoenix, 3,697 hours of glorious sunshine, an average of 10 hours a day. Except for the summer months, our temperature averages 74 degrees maximum, 46 degrees minimum.

Our sunshine is not only good for you, but good for all manner of agricultural products, especially citrus fruits, head lettuce, and dates. Our valley's climate closely parallels that of Egypt's upper-Nile region, and we grow the finest long-staple cotton in the country.

In the heart of this valley, just nine miles from Phoenix, is one of

the State's greatest educational institutions, Arizona State College, which is host tonight, along with Station KPHO, of America's Town Meeting. Phoenix is proud of Arizona State College and all that it has accomplished for the youth of Arizona. We are grateful to it for bringing this distinguished program to our community.

Here to preside over our discussion is our moderator, the president of Town Hall, New York, and founder of America's Town Meeting of the Air, Mr. George V. Denny, Jr. Mr. Denny. (Applause.)

Moderator Denny:

Good evening, neighbors. Yes, here we are in the Valley of the Sun, probably the finest irrigated district in the United States, enjoying the hospitality of Arizona State College and Station KPHO in the City of Phoenix, one of the

fastest-growing cities in the United States.

The happy people of this bustling community are as interested as you are in the answer to tonight's perplexing question, "Can Free Competitive Enterprise Here Compete With Socialism Abroad?" This is an over-simplification of the basic question, "Can free competitive enterprise here survive the impact of growing socialism in Europe and elsewhere in the world?"

Can we stand alone and continue to be the richest, most powerful, most productive, capitalistic nation in the world, regardless of the form of government and economic systems adopted by other nations of the world?

The so-called Marshall Plan puts this question squarely on our doorsteps as we consider what we should, can, or must, do for Europe this winter. Indeed, it's been on our doorstep ever since the war ended.

Someone asked the late Senator Morrow in the early 30's when he thought the depression would be over, to which the Senator replied, "About two years before you know it."

That's the trouble with so many of these human problems. A man and wife create a situation where divorce is inevitable years before some incident occurs that appears to be the cause. Nations pursue policy that make war inevitable

long before an incident lights a torch that sets human beings destroying each other.

So it is with economic systems. Unless we understand clearly the implications of what we are doing today, we may get ourselves into a position where our system will be destroyed or drastically changed, not because of a particular situation, but because of the steps we took or did not take two or three years earlier.

So, on this, our last Thursday night on the air—remember your Town Meeting moves to Tuesday night beginning next week, September 2—we urge you to consider your own highest interest, what, if anything, we should do to preserve or alter our system of free competitive enterprise, capitalism as it's sometimes called.

Mr. Herbert Leggett, vice-chairman of the Committee on Economic Development in Arizona, and Anna Roosevelt Boettiger, associate editor of the *Arizona Times*, believe that free enterprise here can compete with socialism abroad.

Dr. J. Raymond Walsh, economist, author, and radio commentator of New York City, and Irving Stone, author and former economic instructor at the University of California, have grave doubts about this question.

So, we'll hear first from Mr. Leggett, who's a member of the very active committee of business

men called the Committee on Economic Development, and vice-president of the Valley National Bank of Phoenix. Mr. Leggett. (*Applause.*)

Mr. Leggett:

Thank you, Mr. Denny. Americans will buy almost anything and try almost anything, but I don't believe that Dr. Walsh and Mr. Stone can sell us on socialism. We already enjoy the highest standard of living ever achieved by any people.

With 7% of the world's population, we own 70% of the motor cars, 50% of the telephones, 45% of the radios. We are better fed, better housed, better dressed—either in long skirts or short—than any people on earth. We are able to own more and to consume more because we produce more.

For example, Dr. Walsh, England can't obtain enough coal from its socialized mines to keep its other industries going, or even to keep warm.

Why? Because British miners average only 260 tons per man annually, whereas our miners produce 1,500 tons per year, or nearly six times as much.

Sixty million Americans now have jobs. That is a job and a half for every family in the land, providing an average annual income of nearly \$4,000 per family.

All this has been achieved under a system of democratic capitalism and individual freedom which is

the envy of the world. However, this didn't come to us by waving a magic wand, or by dividing up what we had. It took plenty of sweat, blood, and tears.

Our opponent may criticize free enterprise because it penalizes mistakes and inefficiency, but in so doing it merely follows the immutable laws of nature and of human nature.

Socialism proposes to repeal both. It can't be done. Since the beginning of time, man's economic life has been governed largely by two impulses, fear and hope. Fear of penalty or hope of reward—they are the bases of all sound economic systems as well as of most great religious systems.

Free enterprise says that all men are created equal, namely, that everyone is entitled to start from scratch with the same opportunity for success. Socialists contend that we should all wind up equal, regardless of how hard we work or how many special talents we possess. This is bad news for organized labor as well as for private business.

As you might expect, socialism makes headway only when people are in distress and will grasp at anything. It hovers like a vulture on the outskirts of adversity, hoping to win by default what it can never win on its merits. It has already brought disaster to two great nations, France and England, and has sown the seeds of discord

and discontent throughout the world. It is a philosophy of defeatism and disintegration.

I contend, Mr. Stone, that socialism spawned fascism in Italy, Hitlerism in Germany, and practically all the other isms of our generation. Communism is not a distant cousin, but the direct offspring of socialism. It may disown the brat, but it cannot deny parenthood.

Even in Sweden, where socialism is supposed to be successful, it has produced very little except some one-room kitchenette apartments, and a level of earning less than half that in the United States. Sweden has succeeded in distributing its poverty so evenly that it only appears to be non-existent.

The mathematics of socialism consist of division and subtraction. Free enterprise concentrates on multiplication and addition. It's the nearest thing to perpetual motion, economically speaking, ever devised by man.

Now, what, concretely, has the Goddess of Liberty got that the Siren of Socialism lacks. Primarily, four things: Free enterprise is creative; it's dynamic; it's flexible, and lastly, it pays off in coin of the realm, not in promises of Utopia.

It is significant, I think, that atomic energy was discovered, not by a collectivist state, but by the free minds of free men, for whom nothing is impossible. Scientific progress, like social progress, goes

hand in hand with economic progress.

We can derive comfort from the thought that if anyone finds defense for the atom bomb, will probably be the same virile system which knows the nature of the *thing*.

Free enterprise has the "know-how" and the "find-out-how," and let us not forget, we're living in a world that plays mighty rough most of the time. Even if it's just security you want, rather than opportunity, that, too, exists in greater measure right here in America than any place on earth. Mrs. Boettiger and I just don't believe that the Socialists have anything to sell. (*Applause.*)

Moderator Denny:

Thank you, Mr. Leggett. Now may we hear from a gentleman who has journeyed all the way from New York to this beautiful and productive valley in Arizona to take issue with Mr. Leggett. His is the familiar voice of Dr. Raymond Walsh, economist, author, and radio commentator from New York. Dr. Walsh. (*Applause.*)

Dr. Walsh:

Mr. Leggett's charming account of our economic system held me fascinated, but you know, it made me think of Alice in Wonderland where everything was upside down and inside out, and nothing at all seemed real. Before I tell you

why, I must correct an impression that Mr. Leggett left about me.

Now, I'm not going to try to sell him, or you, or anybody else on socialism, and for the very good reason that I couldn't do it since I am not a socialist. I'm very much in favor of free enterprise—I dare say as much as he—because of the achievements that it has made in the past and the achievements that I hope it will make in the future. But unlike Mr. Leggett, I do not have his superb and Olympian confidence that the best is going to occur in the best of all possible worlds.

Now, there are a couple of reasons why I differ from him. First, this system of ours is not nearly as free as Mr. Leggett seems to think it is. It's shot through, in fact, with monopoly. It's frozen at a thousand points.

You'd never guess it from Mr. Leggett's romantic account, but consider these facts:

Four companies now control 97% of the output of asbestos shingles; 92% of the output of tractors; 90% of autos; 89% of cultivators; 85% of window glass; 83% of rubber overshoes; 80% of dry batteries; 75% of harvesting machinery; 77% of refrigerators; and 75% of kerosene stoves. I could go on like this throughout the whole program.

Monopoly dominates the flash bulb industry, fluorescent lamps, synthetic rubber, high octane gas,

Grandma's spectacles, dyestuffs, magnesiums, and the vitamins you get at the drug store.

You can't use false teeth without meeting up with monopoly. You can't put fruit into glass jars without supporting monopoly. You can't strike a match or eat a piece of cheese without paying the monopolists a toll.

The grip of monopoly is extraordinary. It's a dark undergrowth among Mr. Leggett's free enterprise flowers. Indeed, over half our industrial wealth tonight is owned by a few score corporations.

Now, I suggest that that is bad—thoroughly bad. Why? For it kills free enterprise. (*Applause.*)

There's a second reason for my difference with Mr. Leggett's glowing, but, I think, unjustified optimism. As this is a rather technical point I will be brief about it, however.

Our system must have spending at a rate large enough to maintain full production and full employment. Part of the spending on which our economy runs is business spending or investment. Now investment is peculiarly unstable—it goes up and down, pulling all of us into prosperity and dropping us into depression along with it.

These depressions are bad enough. They are made worse by this possible fact: Business investments year in and year out may not in the future be large enough

to use all the savings we set aside for the purpose.

Most economists seem to be agreed on that possibility. If that occurs, it will mean not occasional depressions, but a chronic one, like that endless depression of the 30's from which we emerged only in the war.

Now, here are two great weaknesses in our economy! What can you and I do about them?

Well, we can act so as to keep the mass power to buy high, by keeping wages up, and increasing and broadening social security and protecting the prices of farmers' products.

We can offset any tendency for private investment to be too small by a large public enterprise; that is, more and better schools, for example, hospitals, houses, soil conservation, air terminals, roads, and water developments. In such ways, we can insure a strong mass support for free enterprise.

As for monopoly, we can really go after it by providing, not the piddling amount that we have given our Department of Justice, but a real arsenal with which to fight for free competition.

We can urge small businessmen particularly, and we can plow square into the middle of monopoly by nationalizing certain industries like coal and railroads and utilities. (Applause.)

That action I suggest would greatly invigorate free enterprise.

Will we do it? That is the question.

Well, I submit in answer to that that Mr. Leggett doesn't seem in spite of his approval of free enterprise, to realize that free enterprise is in danger. The National Association of Manufacturers is opposed to such a program as have suggested. The Chamber of Commerce is opposed to such program.

The Eightieth Congress was hilariously opposed to it and it seems to me that the opinion in industry and its press and radio largely is opposed to this which leads me to believe with Plato the great Greek philosopher, that it is necessary to will the right but it is also necessary to know whether it is right to will. On that I must say that I, for one, have doubts regarding the future of free enterprise. Thank you. (Applause.)

Moderator Denny:

Thank you, Raymond Walsh. Now we're to hear from the daughter of the late president, Mrs. Anna Roosevelt Boettiger, associate editor of the *Arizona Times* of Phoenix, who will speak her own mind. Mrs. Boettiger. (Applause.)

Mrs. Boettiger:

Thank you, Mr. Denny. If free enterprise is competitive, it is free enterprise. I quite agree with Mr. Leggett that under our competitive free enterprise system s

much of benefit has accrued to our citizens that as long as these benefits keep coming neither socialism nor anything else can undermine our system. But I also agree with Mr. Walsh that the monopolies and cartels are a denial of free enterprise. In fact, they are as much an expression of controlled economy as you will find under a socialist system.

Many of us have vivid recollections of the years 1929 to 1933—breadlines and near revolution on the part of desperate people. Then came March, 1933, in Washington, D. C., followed by the exposing of monopolies and cartels and a new realization on the part of the people of the United States that monopolies and cartels definitely do not represent free, competitive enterprise.

I would like to remind Mr. Walsh that this Government is continuing today to turn its klieg lights on business firms where monopoly and price fixing are suspected.

The Department of Justice is investigating the practices of our steel industry and has indicted the National Association of Real Estate Boards for conspiring to fix high prices effecting the cost of housing. Incidentally, other housewives and I cannot forget that too high steel prices mean too high prices for other products we need such as automobiles and refrigerators.

So to me it goes without saying that free competitive enterprise cannot exist healthfully without abiding by rules made for the protection and the good of the many.

So far, Mr. Walsh seems to agree with Mr. Leggett and me that we can compete with socialism, but the question is, "How?"

We did compete and co-operate with socialistic and labor forms of government before and during the last war. I am, of course, thinking of previous governments in such countries as Australia, Norway, Sweden, Denmark, France, and England. This competition and co-operation hasn't hurt a hair on our free heads or impaired our system of free competitive enterprise.

For the records, Mr. Walsh and Mr. Stone, I would like to make it clear that I feel this country with its free competitive system has accomplished more for the people as a whole than has any country with a socialistic form of government.

You and I know that socialistic experiments are not new in this world. In countries where it exists, you find it in many varying degrees of collective or governmental ownership, management of the production and distribution of goods.

Socialism's professed aim is to distribute income and social opportunity more equitably than we do here. Many people have an erroneous conception that socialism means only the equal distri-

bution of all income and all worldly goods among all the people.

The great wealthy steel magnet, Andrew Carnegie, is said to have listened to a long sales talk from a man who thought he was a socialist and who apparently wanted Mr. Carnegie to "divie-up" his wealth. Finally, Mr. Carnegie is said to have sent for his secretary and asked for a statement of his possessions and holdings. He also asked for figures from the *World Almanac* on the world's population. With all this information, he figured silently on his desk pad for a moment. Then he turned to his secretary with this instruction: "Please give this gentleman 16 cents. That is his share of my wealth."

Now no matter what kind of government other countries may have, it is my belief that foreign trade is absolutely essential to prosperity both in those countries and in ours. With the aid of foreign trade, I think we can, in the long run, assume that the world over, as human beings begin to prosper, they also begin to want more freedom, freedom to express themselves and try their wings at bringing greater prosperity to themselves.

When they reach this stage, they will realize what I believe to be one of the greatest fallacies of socialism; that is, its tendency to control the natural mediums of

communication between peoples all over the world—the mediums of newspaper and the radio. I believe that only through such free uncensored communication can the peoples of the countries of the world achieve the well-known Four Freedoms.

I am sure that Mr. Leggett and Mr. Walsh and Mr. Stone will agree with me that these Four Freedoms are essential if we are to have world peace and world prosperity. (*Applause.*)

Moderator Denny:

Thank you, Mrs. Boettiger. Now here's some testimony from the biographical novelist, Irving Stone, whose forthcoming novel about Eugene V. Debs called *Adversary in the House*, is particularly pertinent to this discussion. Mr. Irving stone. (*Applause.*)

Mr. Stone:

Mr. Leggett has given us a beautiful picture of a gadgets economy. I might be able to accept this crass materialism as the whole of life if only it worked. But what Mr. Leggett has failed to remember are the collapses of his utopia, when millions of people are unemployed, and our bountiful living vanishes down a hopper which Mr. Leggett would call "the business cycle."

Mrs. Boettiger thinks that an occasional suit by the Department of Justice against the steel or rubber tire combines would be suffi-

cient to bring us our Four Freedoms.

But I maintain that there is no such thing as a static or a frozen society. Great changes lie ahead of us. It is the purpose of this discussion to investigate the proposed road to freedom.

Certainly free enterprise can compete successfully with free socialism in the account books for the next fiscal year. But can free enterprise compete with free socialism as the next great motivating force in the history of mankind.

Since we in the United States are free enterprise's closest friend, perhaps we can be permitted to ask familiarly, "How're ya doin', pal?"

The answer comes back a bit forlornly, "Not so good, brother. Not so good!"

In the past 30 years, country after country has either abandoned free enterprise or been forceably deprived of it. There is little, if any, capitalism, as we understand it, left in Europe. The economists and the statesmen agree that the one road to democratic freedom left for the European is evolutionary socialism of the kind that Sweden has pioneered.

Great Britain has voted itself into socialism. China and India are now such confused and bloody battlefields that not even the National Association of Manufacturers would be so rash as to pre-

dict that they can be returned intact to the fold of capitalism.

If free enterprise has fared so badly during the past thirty years, what can be its hope for the future in a war-ravished, confused, and desperately frightened atomic-bomb world?

How can it compete with free socialism either here or abroad?

What will it do about the next catastrophic depression that is on the drawing boards for somewhere around the year 1955?

Do you recall the old saying, "If you cannot conquer your opponent, combine with him?" Free enterprise can compete with free socialism only by absorbing the best that socialism has to offer. It must clasp to its well-fed bosom a creative program which will throw out the vestigial evils of 16th century capitalism, and replace them with a responsibility for the welfare of the human being.

Free enterprise must be the courageous and far-seeing leader which institutes its own research and implements a truly free world, economically and politically, for the whole American people.

You say this is visionary? You say it would be expensive? On the contrary, it is cold-blooded practical economics. Every time free enterprise has given over a greater share of its profits and of its power to the whole American people, this strengthened and en-

riched people have had the means and the will to buy more, and the total of profits have risen to ever-higher peaks.

Free socialism is a broad and legal reform movement, arising out of the roots and character of the American people. Much of what enables free enterprise to continue existing today was conceived by the American socialists and has over the years become the guaranteed human base of our society: Social security, child labor laws, minimum wage laws, old-age pensions, industrial medicine—as Mrs. Boettiger knows the list is a long one.

Free enterprise has not kept us out of recurrent depressions and it has not kept us out of recurrent war. It must evolve a technique to do both, or we will perish. Free socialism preaches the brotherhood of man, and, in a world in flames such a philosophy has a powerful strength to move men and to hold men.

Free enterprise and free socialism are the two remaining roads of freedom left in this world. It is doubtful whether either can survive without the help of the other. They are not contradictory philosophies. What each hates and fears about the other is the extreme — its threat to political liberty on the one hand, and to economic security on the other.

There is nothing dangerous in social planning, per se: free enter-

prise uses planning every day in building its automobiles, its skyscrapers, in turning out its oils and its chemicals. If the industrial genius of free enterprise is not extended from the engineering laboratories to the social laboratory, it will plunge inevitably into depression, chaos, and dictatorship.

In this changing world, I think that free socialism is free enterprise's best and most valuable ally. They may appear to be strange bedfellows, but I think they could live a long and happily married life together.

The entire world is searching for a new economic pattern. Humanity must find this pattern if it is to survive. Most nations and people reject both the pure capitalist state in which the human stomach recurrently becomes atrophied, just as it rejects the secret police state in which the human brain becomes atrophied. There remain two sane, workable economic philosophies, which can keep men creative and free. Only when they combine forces, and work together to evolve a just economy, will mankind find its way out of the jungle.

Moderator Denny:

Thank you, Irving Stone. Your remarks about change and the fact that we seem to be allergic to it reminds me of the story of the old gentleman who was 100 years old and was being inter-

viewed by the gentlemen of the press from New York in his home up in Maine somewhere. One timid member of the press about 22, probably a cub reporter, went up to the old gentleman and said to him, "Well, sir, I guess you've seen a good many changes in your lifetime." "Yep," snapped the old man, "And I'd better get all of them." (*Laughter.*)

Well now, gentlemen, you have taken some pretty hard shots at Mr. Leggett here, so won't you step up here around the microphone, Mr. Leggett, and Mrs. Boettiger, and the rest of you, and let's start with a comment or question from Mr. Leggett.

Mr. Leggett: I'm a little confused. We started out talking about two systems, and we wound up with four, and each one of the four had the word *free* in it. Mr. Stone, for example, invented something called "free socialism." I'd like to have Mr. Stone explain how "free socialism" differs from the common or garden variety of socialism, and also how it differs from free enterprise.

Mr. Stone: Well, that's a great pleasure. I've been looking forward to explaining that to Mr. Leggett all day. (*Laughter.*) I put the word "free" in front of socialism, because it was evolved by Eugene V. Debs, in 1898, and a group of other native-born Americans. They went to the polls and asked the people to vote for

them. They remained strictly inside the legal framework and the Constitution. They put forth a broad reform program. They did nothing illegal. They preached no force and violence. They wanted nothing that the majority of the American people would not bring to them.

That's what I call "free socialism"—something which will gradually be conveyed to the American people, which they will want, which they will vote in as they have voted in a broad reform program, and which they will keep only if the majority of the American people want it. That's what we call "free socialism" in the American tradition. (*Applause.*)

Mr. Denny: Mr. Stone, I'm going to interpolate there and ask a question. Do you mean "free" in that sense there as opposed to totalitarian socialism which is brought on by a totalitarian force, such as in Russia, or do you mean free socialism as compared with socialism of the Labor party in Britain?

Mr. Stone: It's a very broad distinction, between any form of socialism which is willed upon a people at the end of a bayonet or at the end of a machine gun and a socialism which is kept under that force and violence. That distinction, I think, has always got to be made. The American Socialist stays inside the legal framework and abhors force and

violence, sometimes, I think, more than Mr. Leggett's Republican Party. (*Laughter and applause.*)

Mr. Denny: Thank you. Now, Mrs. Boettiger, please.

Mr. Leggett: I really ought to make a correction, there, though.

Mr. Denny: Mr. Leggett wants to register the fact that he is not a Republican. (*Laughter.*)

Mr. Leggett: I am an independent, and I don't mean nonpartisan. (*Laughter.*)

Mr. Denny: An independent and not nonpartisan. All right, Mrs. Boettiger.

Mrs. Boettiger: Well, I would just like to ask Mr. Stone something and that is if it isn't true that, in connection with his "free socialism," that history shows that dependency of socialism is to control the individual and the individual's freedom, and that the history also is for socialism to say to the people, "When our country gets on its feet, we will *then* give you our freedom." Then afterwards, it's harder and harder to get back that freedom. Isn't that what history, so far, shows, Mr. Stone?

Mr. Stone: I think, if you go far enough on the eastern map, you will find that that is true, but it certainly is not true of the kind of socialism we know in Norway and Denmark and Sweden, or of the kind which is envisaged by the present Socialist party in

France and in Italy and in the United States.

I, myself, love a comfortable bed, and I love a good thick steak, but if I had a choice between a comfortable bed and a thick steak and being awakened by a member of the OGPU early in the morning, I will sleep on the floor and starve and so will every socialist.

The socialist will take his planned economy—his scientific economy only when the same guarantees for freedom that we have now are established. Freedom comes first, and after it, economic security.

Mr. Denny: Thank you. Dr. Walsh, what are you doing silent?

Dr. Walsh: I'm very restless. I want to ask Mrs. Boettiger a question. You know, we have all been preoccupied tonight with the possibility of a depression in the future—all of us, I should say, with the exception of Mr. Leggett, who evidently does not admit the possibility of that sort of phenomena.

Mr. Leggett: I said nothing about the future.

Dr. Walsh: Well, now, Mrs. Boettiger, you had an enviable opportunity to gaze at Government—the people's Government in the United States—dealing with the depression of the '30's—a lavish, terrific, disastrous phenomenon. You watched your father—for whom I have the deepest a

fection and admiration — as he dealt with that with the best will and effort and expertise that he could muster. In spite of that effort, as we all know, the resistances to dealing with it at the governmental level were very great, and, indeed, the depression

did not end until the war whisked us into that kind of war prosperity we have had for some years.

Now, what I would like to ask you, Mrs. Boettiger, from that experience, what do you suppose would occur with a government that undertook to deal with a de-

THE SPEAKERS' COLUMN

HERBERT A. LEGGETT—Mr. Leggett, vice president of the Valley National Bank of Phoenix, Arizona, is a graduate of Princeton. He also had post-graduate work in economics at New York University. For short periods he has been a school teacher, newspaper reporter, and advertising copywriter. For five years, he was an insurance statistician, and for 15 years was research director and a partner in the New York Stock Exchange firm of Gilbert Elliott & Co. Since January 1, 1944, he has been with the Valley National Bank.

Mr. Leggett is chairman of the Research Committee of Greater Arizona, Inc. He is state vice-chairman of the Committee for Economic Development. Active in Phoenix civic affairs, he is chairman of the Municipal Finance Committee, vice-chairman of the Emergency Housing Committee, vice chairman of the Industrial Committee of the Phoenix Chamber of Commerce.

Mr. Leggett is well-known as a speaker and writer on economic subjects.

J. RAYMOND WALSH—Mr. Walsh is a graduate of Beloit College, Chicago Musical College, and has a Ph.D. from Harvard. For 13 years, he was a high school teacher and for eight years he taught economics at Harvard. He has also taught at Williams College. He has been a trial examiner for the National Labor Relations Board; a consultant to the Federal Reserve Board, the National Resources Committee, the Committee on Social Security, and the Office of Production Management. Until recently, he was research director and economic consultant of the Congress of Industrial Organization, and is at present a radio commentator in New York City.

Mr. Walsh is author of *CIO, Industrial Unionism in Action and Explorations in Economics*. He is also a contributor to the *New Republic*, *The Nation*, *The Survey Graphic*, and the *Quarterly Journal of Economics*.

IRVING STONE—Mr. Stone was graduated from the University of California in 1923 with honors in political science. He taught economics there and at the University of Southern California for three years while taking a M.A. and preparing for a Ph.D.

In 1926, while in Europe, Mr. Stone wrote several plays. From 1927 until 1934 he directed an amateur theater, and wrote confession, love, and murder stories. In 1934, his biographical novel about Vincent Van Gogh, *Lust for Life*, was published.

For the past thirteen years, Mr. Stone has devoted his time to writing such biographical novels as *Sailor on Horseback*, the story of Jack London, and *Immortal Wife*, the story of Jessie Benton Fremont, and publishing such biographies as *Clarence Darrow for the Defense* and *They Also Ran*, the story of the defeated presidential candidates from Henry Clay to Thomas E. Dewey.

The life story of Eugene V. Debs, called *Adversary in the House*, is to be published in September.

ANNA ROOSEVELT BOETTIGER — Mrs. Boettiger is associate editor of *The Arizona Times*, Phoenix, Arizona. She is the daughter of the late President Franklin D. Roosevelt and Eleanor Roosevelt. Mrs. Boettiger is married to John Boettiger, editor and publisher of *The Arizona Times*, and has three children—Eleanor, Curtis, and John.

From 1930 to 1935, Mrs. Boettiger did magazine writing and radio work. From 1936 to 1943, Mrs. Boettiger was associate editor of the Seattle, Washington, *Post Intelligencer*.

In 1944 and 1945, Mrs. Boettiger worked at the White House assisting her father, President Roosevelt.

Mrs. Boettiger and her husband started *The Arizona Times* as a weekly paper in June, 1946, and have built it gradually into a daily newspaper which started on May 1, 1947.

pression of that magnitude, should it occur as Mr. Stone suggested by 1955?

Mrs. Boettiger: I would like to put it more in this way, Mr. Walsh, and that is that I have to acknowledge that under our free competitive enterprise system, it is slower to accomplish the goals that we want to accomplish. Therefore, it took longer, during the days that my father was in the Presidency than it would if we had had a type of government which ordered us, whether we liked it or not, and didn't take the trouble to educate our people to understand what we are doing.

I do want to take exception to what Mr. Stone said. I am definitely in favor of planning and planning way ahead, and I don't think England would be where they are today if they had done more planning. I think that is the crux of the matter. That is what we have to do today, and what our Government must do, and I think it can do it, without socialism. (Applause.)

Mr. Denny: Thank you, Mrs. Boettiger. Now, while we get ready for our question period, I'm sure that you, our listeners, will be interested in the following message.

Announcer: Tonight, friends, you are listening to America's Town Meeting of the Air, originating in Phoenix, Arizona, where we are the guests of Arizona

State College and Station KPHO. We are discussing the question "Can Free Enterprise Here Compete With Socialism Abroad?"

We are about to begin our question period when Herbert Leggett, J. Raymond Walsh, Anna Roosevelt Boettiger, and Irving Stone will answer questions put to them by this representative Phoenix audience.

Perhaps you have heard that beginning next week, September 2, your Town Meeting will shift to Tuesday night, but perhaps some of your friends haven't, so won't you help us spread the news that next week Town Meeting originates Tuesday night at 8:30, Eastern Time, 7:30 Central Time, and by transcription, 8:30 Mountain Time, and 8:30 Pacific Coast Time? A big exciting program originating in Los Angeles will mark this change — "Is There Really a Communist Threat in Hollywood?"

For your convenience, copies of tonight's broadcast, including the questions and answers to follow, will be printed in our Town Meeting Bulletin, which you may secure by sending 10 cents to Town Hall, New York 18, New York, to cover the cost of printing and mailing. We are also very happy to announce that in tomorrow's issue of the nationally circulated *New York Herald Tribune*, you will find a four-column summary of tonight's Town Meeting, includ-

ing the questions and answers to follow. The *Herald Tribune* does this each week as a public service

to a better informed America. Now for our question period, we return you to Mr. Denny.

QUESTIONS, PLEASE!

Mr. Denny: For tonight's best question, someone in this representative Phoenix audience will receive a \$210 set of the *Encyclopedia Americana*. A local committee of judges will award this set for the question it considers best for bringing out facts and broadening the scope of this discussion. In order to give our judges time to make a fair decision, we will announce the winner on next week's Town Meeting. Now the winning question last week was, "How can poor states provide social workers and relief funds to care for the Indians and also schools to show the Indians modern living methods?" The winner was Kaber D. Watson of the Navajo Rock Day School of Chin Lee, Arizona.

And now for the questions for tonight's speakers, we start with the gentleman here on the third row.

Man: My question is addressed to Mr. Walsh. Don't you think it better for the United States to correct the errors or mistakes of capitalism, than to change to socialism?

Dr. Walsh: I think that, by all manner of means, it's best for us to attempt to correct the evils or

the deficiencies of capitalism, because it is so deeply rooted in our culture and our ways of life. Therefore, I agree with the tenor of the question.

Mr. Denny: Thank you. On the aisle, here.

Man: My question is to Mr. Leggett. As I see it today, most of the money in circulation is banknotes without the reserve to back it up, issued under the authority granted in the Emergency Banking Act back in 1933. Now my question is, "Will the banks issue these notes to do the competing, or will the Treasury of the United States, which is 100 per cent owned by all free enterprises?"

Mr. Denny: Well, that's a question on the subject of money. I don't know exactly what it has to do with free enterprise. Do you want to comment on it Mr. Leggett, as a banker? It will be very interesting to have the answer to that.

Mr. Leggett: All of our paper, whether it is greenback, or E Bonds, or Coupon Government Bonds, all in a sense to me have the same backing—they have the backing of the Government of the United States, which means all of

us, and they're all, in my opinion, equally good.

Mr. Denny: Thank you. Keep your questions on the subject. Now, the lady in pink.

Lady: Mr. Stone, is it true that we will not grant England any further loans unless she ceases to nationalize her industries?

Mr. Stone: To the best of my knowledge, that is not true. The difficulties involved with England is that the sum of money loaned to her was supposed to cover a certain number of months and years and the loan has been used up exactly 12 months ahead of schedule. It is my opinion that more money will be made available to Great Britain, because we must keep Great Britain's economy stable to stabilize our own.

Mr. Denny: Thank you. The lady over here.

Lady: My question is along the same line. Mrs. Boettiger, do you think that the United States, with its capitalistic system can support the economic system of Britain without ruining its own economy?

Mrs. Boettiger: There again, I think we get back to the question of planning. If planning is not done well in advance, and if we follow the rules set down as they were with UNRRA, where food and goods were distributed without any check and just given to the government, with no planning, I don't think it will be possible,

but I think, with planning, will be.

Mr. Denny: Thank you. The gentleman further over here on the left.

Man: My question is addressed to Mr. Leggett. Mr. Leggett, what should we be doing now as hedge against the depression which economists believe will come if we stay on our private-enterprise system?

Mr. Leggett: Well, that's pretty tough question for a home town boy to answer, and it's a very big question, Mr. Denny.

Mr. Denny: Yes, you might give a fee for that otherwise if the question weren't asked before a million people. (*Laughter.*)

Mr. Leggett: Here is the point. I have no confidence in planning as the Socialists think of it. We've had examples of that just since the war ended two years ago. We've had all the economists of our country—both government and private—wrong four successive times, and they were unanimous. They have picked every turn exactly wrong. Now human beings are not good guessers, and that's why tonight someone made the remark that I predicted something. I did no such thing. I was speaking only of what now exists.

Now, we are doing a lot of things, and my contention is at the point that I brought out in my remarks was this: free enterprise is the most elastic, the most flexible.

and the most adaptable system ever created. Socialism is rigid. You start out on a line, and you stay there — come something or high water. (*Laughter.*)

Mr. Denny: That word is perfectly permissible on the air, Mr. Leggett. (*Laughter and applause.*)

The gentleman on the aisle here.

Man: Mr. Stone. In speaking of your "free socialism," the few socialistic countries, such as Russia and England, in my opinion, are still oligarchic and they have dictatorships. Doesn't England have an inner nobility of lords that are supported by the impoverished? And how would Stalin ever be removed other than by assassination?

Mr. Denny: You've asked about five questions in one. Can you decipher them, Mr. Stone, or will you take one at a time?

Mr. Stone: I think I'll take the key question there, and that is about Great Britain. The man's question is a good one: Is it true that they have a Labor Government, semisocialist government in England, and if it is, why do they support what he calls an oligarchy? The answer is that that oligarchy is fading very fast. Their properties have been confiscated by taxes up to as high as 80 per cent. The rich of England are no longer rich, true they eat and sleep well but they are no longer what you would term an oligarchy. Besides, it's an error to think that socialism wishes to equalize. Mr. Leg-

gett said it wants them all to end up equal. Of what socialism does, that isn't true. The thesis of socialism is that it wants to use the full creative power of every man and woman within a country to produce so that everyone can have a fulfillment of creature comforts and go on from that to a higher intellectual, and moral, and ethical life. (*Applause.*)

Mr. Denny: Thank you. Mr. Leggett?

Mr. Leggett: That sounds awfully good, Mr. Denny, but I'd like to have him give us one single illustration where that's happened. (*Applause.*)

Mr. Stone: Well, fortunately, Mr. Leggett didn't ask for two; he only asked for one and I've got one. (*Laughter.*) Mr. Leggett formerly said that Sweden had equalized poverty and, therefore, no one seemed poor. That isn't true. All of the accounts from Sweden over the past ten years, including the book called *The Middle Way*, indicate that the Swedish people by going legally, gradually through the evolutionary process into a semisocialism, have completely obliterated poverty and have released the energies of its people for full intellectual and artistic and creative life.

I ask you all when you leave here to look up the situation in Sweden. It is a good example of how socialism can function, keeping a people free and multi-

plying their freedom by eliminating poverty. (*Applause.*)

Mr. Denny: Look out, there's going to be a little discussion about Sweden here because here comes Mr. Leggett.

Mr. Leggett: Mr. Denny, I won't let him get away with that. I'm fifty per cent Swedish and, therefore, I can talk perhaps more frankly than some other people might. Now the Swedes are a remarkable people — they'd have to be to put up with socialism. (*Laughter.*) Now, let me tell you some more things about the Swedes. They're industrious, but they are very, very cautious. The population of Sweden's now about six million and declining. The birth rate in Sweden is going down. The only reason they are in pretty good shape as far as housing is concerned is that they have fewer people.

The per capita income in Sweden is \$653 in equivalent dollar purchasing power and in American \$1381 per capita, or double that, in effective purchasing power. The Swedes have, as I say, universal poverty and I would leave it up to the Swedes whether they would rather live in Sweden or in the United States. (*Applause.*)

Mr. Denny: Thank you, Mr. Leggett. I think the implications of the gentleman's first question was, "Would Princess Elizabeth get a trousseau better under capi-

talism or socialism?" (*Laughter.*) We take the gentleman over on the aisle here.

Man: Mr. Walsh, should free enterprise prove inadequate, what can the American citizen do to halt the influence of socialism in America?

Mr. Walsh: I think that if we have convictions as to the merit of free enterprise when it's really free and really enterprising, we need, with all of the energy that we can muster, all of the wisdom and all of the sense of urgency we can, to see that our enterprise is relieved from the frozen condition in which monopoly has got it and is made as enterprising as we can make it.

If that fails, then I dare say that we in the United States will get through a very chaotic period from which a planned economy, of course, will be available to us and probably will take the form that you and I call Fascist.

Now I hate to say that, but that is my guess. That in such a situation it would be the dominion of those who have great power at their disposal placed upon the rest of us, as the people, rather than in the form of the utopian and desirable kind of society which Mr. Stone has been talking about.

I feel, therefore, that the situation is not only urgent in sense of time, but it's of the most intense importance because of my conviction that what would follow

the collapse of free enterprise, to which you direct attention, would be a kind of economy in its political and social attributes that we would all abhor. (*Applause.*)

Mr. Denny. Thank you. Now, the lady with the flower in her hair, right here.

Lady: Mrs. Boettiger, how can we keep our capitalism, even if proven superior to socialism, from being swamped by the tides of immigrants from countries with other ideologies?

Mrs. Boettiger: It seems to me that that goes into the very deep subjects of freedom of the press, and freedom of speech. The best way I can think to answer that is for our own people not to sit back on their haunches and allow the people who have foreign ideologies to do all of the talking and all of the spouting, but for those of us who believe in our form of government, who want to see it succeed, and realize that to make it succeed we have to work, that they've got to get out and talk louder than those who come to this country and who do a great deal of talking about the foreign ideologies they believe in. (*Applause.*)

Mr. Denny: Mrs. Boettiger, could I add just something that will remind you of something in answer to that—that our immigration at the present time is very, very low indeed, about as low as it has ever been?

Mrs. Boettiger: That's true, Mr. Denny, but I answered it in that way because that is, as of today, we still face, as you know, the problem of Jews, many of whom want to come here, who have no homes at all, today, so I answered it as an over-all question rather than according to our present regulations.*

Mr. Denny: Thank you. Now the lady over on the other side of the house.

Lady: Mr. Stone. What basis, if any, can you have for the depression in 1955 unless it be defeatism?

Mr. Stone: That's a very good question. It isn't defeatism because I abhor the idea of a depression, having come through the one of the 30's. But there are several indications on the economic front which exactly equal the situation which developed up to 1929. I'll mention two of them briefly and go on from there to a theoretical point. The first is that we are going into a rising price cycle which apparently will continue onward until it practically prices things out of our power to buy, them.

Secondly, that we are pouring, and must pour, into Europe and Asia billions of our funds. In 1927 to 1929, we made the mistake of thinking that these funds would be repaid and made them part of our national budget. Therefore, when we realized that they could

*See Editor's Note on page 24.

never be repaid, we fell into an economic hole. We are doing the same thing today.

But over and above these two economic factors is the more important one that Dr. Walsh brought up. We are not doing sufficient planning. The full genius of the American mind should be brought to play starting tomorrow morning at 8 o'clock to set up alternate plans which would take care of the American people and its economy once it began to crack at the seams. When it begins to crack, it's too late, my friends, we're all in serious trouble. (Applause.)

Mr. Denny: Thank you. The gentleman on the aisle here.

Man: My question is directed to Mr. Leggett. Mr. Leggett, if capitalism can compete with socialism on its merits alone, then why is the Truman Doctrine necessary to implement the drive of big business for world domination?

Mr. Leggett: That's an awfully "iffy" question, Mr. Denny.

Mr. Denny: Well, why is the Truman Doctrine necessary?

Mr. Leggett: Yes, what is the Truman Doctrine and what is this about a drive of big business for world domination?

Man: Well, that's part of my question, why is the Truman Doctrine necessary to implement the drive of big business for world domination?

Mr. Leggett: I just don't understand that.

Mr. Denny: Mr. Leggett, the implication of the question is that big business is behind the Truman Doctrine in the war between capitalism, as represented by the United States, and totalitarianism as represented by Russia. I think that's the implication of the question. Is that right?

Mr. Leggett: Is the implication—maybe Mr. Walsh knows.

Mr. Walsh: Yes, I think I know because I sort of agree with the young man down there and the implications of his question. (Applause.) He's asking a very acute question indeed. He's saying, you believe, Mr. Leggett, that capitalism is perfectly able to compete with socialism abroad, why is it necessary to have the Truman Doctrine in the form of \$300,000,000 as a first item of payment in terms of an aid program to Greece and Turkey.

Now the interpretation that in his mind, an interpretation with which you may, of course, disagree and with which various people may disagree, is that one of the purposes being served by the \$300,000,000 gift to Greece and Turkey is a purpose of entrenching American economic interest in that region. Specifically, for example, the most obvious case is the oil industry. Now I happen to know, personally, that the oil men have been very, very active in

own State Department in the last several months in getting that kind of doctrine put over on the American Government. (*Applause.*)

Mr. Denny: Thank you. Do you want to comment, Mr. Leggett?

Mr. Leggett: No comment.

Mr. Denny: No comment. All right. Now I want to thank you all for your part in tonight's discussion. Now while our speakers prepare their summaries of tonight's question, here is a special message of interest to you.

Announcer: Yes, friends, next Tuesday night, September 2, is the date when Town Meeting shifts from Thursday to Tuesday night with this exciting program, "Is There Really a Communist Threat in Hollywood?" Our speakers will be Emmet Lavery, president of the Screen Writer's Guild; Albert Dekker, actor; Mrs. Lela Rogers, former screen writer and mother of Ginger Rogers; State Senator Jack Tenney, author of the *Third Report on Un-American Activities in California, 1947.*

They tell us that more than 90 million people witness Hollywood movies each week and for several years we've been hearing about the possibility of Communist influence in the world's motion picture capital. Next month the Congressional Committee on Un-American Activities will resume its hearing on this subject.

Remember the date, September 2, when Town Meeting moves to

Tuesday night—8:30 to 9:30 Eastern Time; 7:30 to 8:30 Central Time; by transcription 8:30 to 9:30 Mountain Time; and 8:30 to 9:30 Pacific Coast Time. Now for the summaries of tonight's discussion, here is Mr. Denny.

Mr. Denny: And here is Irving Stone with the first summary.

Mr. Stone: It is my thesis that free enterprise can and will survive, providing it is elastic, reaches out for broad reform movements, makes secure the whole American people, and has a dynamic attitude for fresh and new ideas so that the greatest part of our economy is at the behest and at the aid of the whole American people. (*Applause.*)

Mr. Denny: Thank you, Mr. Stone. And now Mrs. Boettiger, a final word from you.

Mrs. Boettiger: None of us on the platform is really very far apart. It is pretty much a matter of definitions rather than a basic difference of opinion. This is true of most Americans—all, in fact, except for the small fringe of extremists in the fascist and communist schools. It has been demonstrated how healthy it is for us to get out and air our opinions on important topics. We can solve our problems in this way. This should bring about the give and take which is necessary in solutions of all kinds, even between husbands and wives. (*Applause.*)

Mr. Denny: Thank you. Now Mr. Walsh, please.

Mr. Walsh: My point is that free enterprise can be strengthened and thus preserved if we only rid it of monopoly power and depressed spending. Now that will take fast and daring public action. It is not at all impossible for us to take it. The crucial question is whether we will. (*Applause.*)

Mr. Denny: Thank you. Mr. Leggett.

Mr. Leggett: I have pointed out that free enterprise is creative, dynamic, and flexible and that it produces a greater level of prosperity for more people than any other system. I contend that socialism is bad in theory and worse in practice. I believe it is the greatest disruptive force in the world today, and if it continues to make headway, will only result in chaos.

Mr. Denny: Thank you, Mr. Leggett, Dr. Walsh, Mrs. Boettiger, and Mr. Stone, and our special thanks to our hosts, the Arizona

State College and Station KPH.

As we leave this Thursday night spot after more than 12 years in this position, we urge you again to remember and tell your friends that Town Meeting moves Tuesday night, next week, September 2, when our subject will be a very exciting one, "Is Hollywood Really a Communist Threat?" Our speakers will be Mrs. Lela Rogers, former screen writer, dramatic coach, a mother of Ginger Rogers; State Senator Jack Tenney, author of the *Third Report on Un-American Activities in California in 1947*; Emmet Lavery, president of Screen Writers' Guild; and Alton Dekker, a distinguished screen actor.

If you want a copy of tonight's program, remember you can secure it by sending 10 cents to Town Hall, New York 18, New York. Plan to be with us next week and every week at the sound of the Crier's Bell. (*Applause.*)

* * *

EDITOR'S NOTE: Mrs. Boettiger later asked that this statement be added to her remarks:

"The implication of Mr. Denny's question and the one preceding it was tied together in anyone's mind never occurred to me until it was explained to me the following morning. Up to that time, I was just puzzled because a woman stated to me right after the broadcast that I had 'insulted the Jewish people.' She did not elaborate.

"Later that evening, at home, I asked several Jewish friends about her remark. Most of them answered that they had heard nothing 'insulting' and I merely understood that I was attempting to show the need for taking care of some of these people. One friend did say she could see that some people might have misinterpreted my remarks.

"To me, a misinterpretation on a matter of this kind is not to be passed off lightly. Those who have read our newspaper in Phoenix and those who know anything of me over the years—work I have done, speeches I have made—cannot never have misinterpreted."